

UZBEKISTAN

Energy, Water, Health, Education, Enterprise and Finance, Health and Democracy

Strategic Objective	The Challenge, Problem, Opportunity	The 'Business Case' for Changing Behavior	Proposed Intervention/Activity	Expected Result/Impact	Timeframe
SO 1.3 Improved environment for small and medium enterprises (EF)	Strong disincentives for SMEs, reporting taxes, depositing funds in banks (do things legally-you'll go bankrupt); EBRD and IMF both pulled back activities in 2002; 34% of World Bank loans in default	Very little--GOU acts as monopolist holding sums and driving price up, deliberately discourages investment ('Roach Motel' banking--'money checks in; it doesn't check out')	Procurement program for all USG vendors/sub-contractors (perhaps w/ DOC 'Good Governance' Program); Monthly NEXUS Meetings for all USAID implementers around corruption to present 'united front' to GOU	World Bank needs to share information about loan defaults to make all donors aware of seriousness of misgovernance in UZB	
SO 1.6 Improved management of critical natural resources, including energy (EW)	Corruption-related disputes b/w Ministry of Justice, Foreign Affairs and Central Bank impeding Aral Sea clean-up efforts	GOU will lose needed funds for environmental management if environment for contractors becomes too inhospitable			
SO 2.1 Strengthened democratic culture among citizens and targeted institutions (DM)	Extremely inhospitable environment for NGOs: registration, taxes, repression	Widespread ambiguity and legal incoherence requires "interpretation" involving corrupt central authorities, but Deputy Prime Minister Azimov gets prestige from increased donor assistance	Bearing Point: concept paper to publish legal/banking regulations with precise definitions to prevent "interpretation"	The more legal/banking regulations are published, less discretion for central and local govts to seek rents from SMEs and NGOs	
SO 2.4 Sources of conflict mitigated in target communities (DM)	Increasing evidence of ethnic conflict; urban/rural divides; strong discontent against govt-police by traders/others;		For all sectors: get lists of 'trusted people' and counterparts -start sharing information among these circle-counterparts to develop an "Integrity Corps" of like-minded individuals/groups	The more a 'united front' NGOs and implementers present, the better prepared for 'guerilla warfare' USAID will be in	
SO 3.2 Increased utilization of quality primary health care in select populations (HE)					

SO 3.4 Improved Quality of Basic Education in Target Areas (HE)	Basic assumptions (everyone is corrupt) tarnish every program, esp training programs		Continue transparency in trainee-selection efforts to show participants (and their supervisors) that process is not corrupt and cannot be bought		
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